

PROPLEND MEMBERS' AGREEMENT

Last updated 12th May 2022

Summary of material changes to the last version:

- We have updated the Proplend IFISA terms referenced in Clause 1.5.
- We have amended Clause 3.5 to provide more clarity and context if a Loan Request were to be rejected.
- We have revised Clause 3.14(d)(ii) so as to reduce the number of days from 30 to 10 for when this clause takes effect.
- We have created two new clauses: 3.14(d)(iii) and 3.14(d)(iv) to provide more clarity and context with regards to a Break Fee becoming due and payable.
- We have amended Clause 3.14(f) to give clarity when interest will accrue, as a result of any potential Borrower delays in loans closing.

These changes will take effect 14 days after posting on the Platform Website, in accordance with Clause 18.3.

1. Introduction

Here we explain who we are, the terms you are agreeing to and generally how the Platform works, including the role of Proplend Security Limited as security trustee for Lenders. In general, all Members should read the whole agreement to understand the terms and processes for the origination, servicing and collection of Loan Contracts. The following provisions will be of particular interest to:

- Lenders: clauses 2.2-2.4 (eligibility); 2.13 (if using an advisor or intermediary to act on your behalf); 3.14 (how Loan Contracts are agreed); 4 (Making an Offer); and 8 (Cancellation of this Members' Agreement); and
- Borrowers: clauses 2.5-2.6 (eligibility); and 3 (Posting a Loan Request).

- 1.1 These terms and conditions ("**Members' Agreement**") govern the use by you ("**you**", "**your**", "**Member**", which terms shall also refer to an Intermediary appointed under Clause 2.13) of the platform, details of which are set out in this Members' Agreement (the "**Platform**"). By accepting this Members' Agreement you acknowledge that you have also read and understood our conflicts policy (available at www.proplend.com/conflicts-policy) and risk statement (available at <https://www.proplend.com/lending-risks-statement/>) ("**Risk Disclosure**"). The Platform is a peer-to-peer lending platform operated by Proplend Ltd, a company incorporated and registered in England and Wales with company number 8315922 and whose registered office is at 20-22 Wenlock Road, London N1 7GU ("**Proplend**", "**we**", "**us**" and "**our**"), partly via a website maintained by us and accessible via www.proplend.com (the "**Platform Website**").

- 1.2 The Platform enables a Member acting as a lender ("**Lender**") to finance or refinance the purchase or refinance of commercial property (or VAT payable on such a purchase) by a Member acting as a borrower ("**Borrower**") through simple loans directly between each Lender and Borrower (each, a "**Loan**") substantially in the terms of the sample loan contract referred to in the Borrower's Loan Request under Clause 3.1 and published on the Platform with any specific provisions added to reflect the terms of the specific Loan (each a "**Loan Contract**"). Each Loan Contract is subject to the terms and conditions attached to that Loan Contract ("**Loan Conditions**"). A Lender may be either the initial Lender to a Borrower, or may be replacing another Lender to that Borrower through novation of the relevant Loan Contract pursuant to Clause 7 of this Members' Agreement. The Borrower agrees in advance to each novation of the Borrower's Loan Contracts under Clause 3.14 and hereby agrees to such novation of any of the Borrower's Loan Contracts previously entered into via the Platform, but none of the terms of the related Loan, this Members' Agreement or any Security Document (as defined in Clause 1.3) is changed by the novation process. A summary is also produced of certain details from all Loan Contracts entered into by the Borrower at or about the same time, as well as the amount of any Arrangement Fee ("**Loan Summary**").
- 1.3 In addition, each Borrower (and, as appropriate, its respective shareholder(s)) and/or others separately enters into certain security arrangements with Proplend Security Limited, a company incorporated and registered in England and Wales with company number 8620117 and whose registered office is at 20-22 Wenlock Road, London N1 7GU ("**PSL**") in accordance with Clause 3.14(e) to secure and/or guarantee each of its repayments of interest and principal due under each Loan Contract ("**Repayment**") in respect of the Loans (each a "**Security Document**"), and PSL holds the benefit of such Security Documents in trust for and on behalf of, and for the benefit of, each Lender in accordance with the provisions of Clauses 4.15 and 6.6. This Members' Agreement, which includes the privacy policy in Annex B ("**Privacy Policy**"), governs the operation of the Platform and its use by you if your application to use the Platform is approved by us. Our corporate and regulatory details are set out in Clause 13.
- 1.4 This Members' Agreement will come into effect once you have signed it and we have notified you that your application to use the Platform has been approved, and shall continue unless and until it is terminated in accordance with the provisions of Clause 15.
- 1.5 If you wish to enter into Loan Contracts via an Innovative Finance Individual Savings Account managed by Proplend ("**IFISA**"), you also agree to the [Proplend IFISA Terms and Conditions](#), which form part of this Members' Agreement for that purpose.

2. Eligibility

Here we explain who may lend and borrow on the Platform, the fact we need some information for regulatory checks, the operation of your Proplend Account and the conditions for allowing your financial advisor or other intermediary to access your Proplend Account on your behalf.

2.1 Any person may apply to use the Platform for information purposes only, subject to the provisions of this Members' Agreement. Subject to the provisions relating to eligibility in this Clause 2, "person" shall include an individual or other legal entity as the context requires.

2.2 To be eligible to apply to use the Platform as a Lender, if you are not a resident of the United Kingdom, excluding the Channel Islands and the Isle of Man ("**UK**") you are solely responsible for ensuring that your use of the Platform does not breach any laws, regulations or rules in your country of residence (including those related to tax payable on any gross interest received), and you must:

- (a) be at least 18 years old with a payment account at a duly authorised financial institution acceptable to us;
- (b) hold a UK, Channel Islands or Isle of Man bank account which you register with us ("**Nominated Bank Account**");
- (c) not be borrowing money via the Platform;
- (d) have a total of at least £1,000 in the Proplend Client Money Account (as defined in Clause 4.1) or outstanding Loans via the Platform at any one time.

2.3 If a Lender is:

- (a) a trustee, the Lender's user name must include the word "Trustee";
- (b) a pension fund trustee or manager, the Lender's user name must include "SIPP", "SSAS" or "Pension Scheme", as appropriate,

and, for the avoidance of doubt, in each case the Lender will be the legal entity acting as trustee and not the beneficiaries of that trust or pension fund. Accordingly, payments on account of interest and capital which are payable to the trust or pension fund cannot be paid directly to the beneficiaries and must be paid to the bank account of the relevant trustee.

2.4 Proplend acknowledges that pension funds are usually subject to restrictions on the entities to which they can lend and, in particular, are prohibited from lending to certain connected parties. Whilst Proplend will endeavour to identify and draw to the attention of Lenders any lending opportunities which would infringe any restrictions known to us, we accept no liability or responsibility in this regard and the Lender must undertake its own due diligence in that respect.

- 2.5 To be eligible to apply to use the Platform as a Borrower, you must either:
- (a) be an individual who is a UK resident for tax purposes and is at least 18 years old with a payment account at a duly authorised financial institution acceptable to us; or
 - (b) be incorporated or established in the UK, Channel Islands or Isle of Man;
 - (c) hold a UK, Channel Islands or Isle of Man bank account which you register with us as your Nominated Bank Account; or
 - (d) be incorporated in an offshore jurisdiction (at Proplend's sole and absolute discretion).
- 2.6 If you apply to be a Borrower, we will carry out credit and fraud background checks on you, your director(s), officer(s) and/or members and your business.
- 2.7 You must provide us with all information requested during the application process (including client categorisation and the appropriateness test) and comply with all our identification and anti-money laundering requirements to enable us to comply with all laws, regulations, rules and regulatory guidance applicable to the Platform including the Financial Platforms and Markets Act 2000 ("**FSMA**") and the Handbook of the Financial Conduct Authority (company No. 01920623) of 12 Endeavour Square, London, E20 1JN ("**FCA**") available at <https://www.handbook.fca.org.uk/handbook/> ("**FCA Rules**") and any related amendment, re-enactment, subordinate legislation and regulations ("**Applicable Law**").
- 2.8 We reserve the right, in our sole discretion, to refuse to register you to use the Platform for any reason.
- 2.9 Upon completion of the registration process, including satisfaction of any required verification checks and acceptance by us, we will open a data account in your name in our systems ("**Proplend Account**", also referred to as a "**Dashboard**"). Your Proplend Account is used to record transactions and other information, including a list of your respective Lenders or respective Borrowers (as the case may be), amounts paid by you or owed to you, but does not hold any funds. If we approve your application for a Proplend Account, you may be asked to choose a username and password ("**Passcodes**").
- 2.10 Each time you seek to access your Proplend Account, we will check your identity by asking for your Passcodes. As long as your correct Passcodes are entered, we will assume that you are the person giving instructions and you will be liable for them, except to the extent provided for in Clause 2.11. You must therefore keep the Passcodes secret and make sure that they are not stored in a way that enables others who are acting without your authority to access them or impersonate you. If you disclose the Passcodes to any person whom you authorise to access and operate your Proplend Account on your behalf, you are also responsible and liable

for any access, use, misuse or disclosure of your Passcodes or your Proplend Account by such person.

2.11 Unless and until you tell us that you believe that someone else, who is acting without your authority, knows the Passcodes or can use the Platform by impersonating you:

- (a) you will be responsible for any instruction which we receive and act on, even if it was not given by you; and
- (b) we will not be responsible for any unauthorised access to confidential information about you in your Proplend Account.

We can refuse to act on any instruction that we believe: (i) was unclear; or (ii) was not given by you or someone acting on your behalf with your authority; or (iii) might cause us to breach a legal or other duty; or (iv) if we believe the Platform is being used for an illegal purpose.

2.12 While we provide the Platform to enable you to seek Lenders if you are a Borrower, or to seek Borrowers if you are a Lender in accordance with the terms of this Members' Agreement, we do not undertake to find (as the case may be) Lenders or Borrowers for you.

2.13 Subject to FCA Rules and the provisions of this Members' Agreement (as amended or supplemented from time to time), we may agree to accept instructions on your behalf from a financial adviser or other intermediary ("**Intermediary**") you authorise to act for you. The Intermediary must also agree to the terms of this Members' Agreement and any specific additional terms and/or amendments we may agree with you and/or the Intermediary in this regard. Where you appoint an Intermediary to act for you and the Intermediary agrees the terms of the Members' Agreement, then, in addition to the other provisions of this Members' Agreement, and in consideration of our agreeing to accept instructions from the Intermediary, you and the Intermediary agree that:

- (a) we will comply with the electronic or other instructions of your Intermediary in relation to any action or instruction which can be taken by you under this Members' Agreement as if they were taken or given direct by you;
- (b) we may send notices and communications under this Members' Agreement to your Intermediary only;
- (c) we will cease to act on the instructions of your Intermediary if we suspect or are reasonably satisfied that the Intermediary no longer has your authority;
- (d) we may require further proof of your identity and/or that of the Intermediary before ceasing to accept instructions from the Intermediary or such further documentation or confirmation as may be necessary to comply with Applicable Law or that we may reasonably require;

- (e) the Intermediary shall procure such evidence of the Lender's consent in relation to this Members' Agreement and the activities contemplated by it as we may reasonably require;
- (f) the Intermediary confirms, represents and warrants that at all material times the Intermediary is either duly authorised, or exempt from authorisation, under Applicable Law in respect of the activities carried on by it in relation to the Lender in connection with the Platform, this Members' Agreement and each relevant Offer, Loan Request and/or Loan Contract;
- (g) the Intermediary shall immediately inform us if the Intermediary ceases to be duly authorised, or exempt from authorisation, under Applicable Law as specified in Clause 2.13(f);
- (h) the Intermediary, and not Proplend, shall be responsible for ensuring compliance with Applicable Law relating to the Intermediary's relationship and dealings with, and activities on behalf of, the Intermediary's Lender client;
- (i) the Intermediary shall, on demand, by Proplend, produce original copies of any identification evidence, written instructions or orders that the Intermediary obtains from the Lender in relation to the Intermediary's actions or omissions in relation to the Platform, this Members' Agreement and each relevant Offer, Loan Request and/or Loan Contract;
- (j) the Intermediary shall indemnify Proplend and PSL and each of their directors, officers and employees, against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and reasonable legal costs and all other reasonable professional costs and expenses) suffered or incurred by each of them out of or in connection with the Intermediary's failure to comply with any provision of this Members' Agreement.

3. **BORROWERS - Posting a Loan Request**

Here we explain to Borrowers how to post a Loan Request, the Due Diligence information we need, the checks we carry out, how Lenders' Offers are accepted to create the Loan Contracts and how Security Documents are signed with PSL acting as security trustee for the Lenders.

- 3.1 Where we approve your application to be a Borrower, you will be able to initiate a request to borrow money via the Platform according to the form and processes specified in your Proplend Account and in accordance with the terms of this Members' Agreement ("**Loan Request**"). You may make a Loan Request for short term bridging Loans or senior debt Loans with a specified duration ("**Loan Term**") for a specified total loan amount ("**Total Loan Amount**") in the Tranches, and subject to the Priority, specified in Clause 4 (except for loans to pay Value Added

Tax ("VAT") on property purchases ("**VAT Loans**") for which there will be no tranching and each Loan Contract will only be secured by way of guarantee and an assignment to PSL (acting as security trustee for and on behalf of the relevant Lenders) the right to receive the amount of the VAT reclaim from HMRC).

- 3.2 Loans are interest only, such that only interest is repayable during the term of the Loan Contract and the principal must be repaid at the end of the Loan Term. Each Loan Contract will be for a specified portion of the Total Loan Amount (for example, £1,000 unless it will take less than £2,000 to complete a Tranche, in which case you will have a Loan Contract for the balance with the final Lender whose Offer completes that Tranche).
- 3.3 You are responsible for ensuring that all information provided with respect to a Loan Request is complete, accurate, clear, fair and not misleading.
- 3.4 Each Borrower warrants and represents that none of any property or properties provided as security to PSL in relation to any Loans ("**Property**") will be land that is used, or is intended to be used, as or in connection with a dwelling by:
- (a) the Borrower or by an individual who is a beneficiary of any trust in respect of which the Borrower is a trustee; or
 - (b) by a person related to the Borrower or any such beneficiary in any of the following respects:
 - (i) that person's spouse or civil partner; or
 - (ii) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or
 - (iii) that person's parent, brother, sister, child, grandparent or grandchild.
- 3.5 We reserve the right, in our sole and absolute discretion, to withdraw, decline or reject a Loan Request for any reason at any time whatsoever, and we shall not be held liable for any fees, costs or expenses that may or may not have been incurred by the prospective Borrower when a Loan Request is withdrawn, declined or rejected.
- 3.6 You may withdraw a Loan Request from the Platform at any time before it is successfully funded, but the provisions of Clause 3.14(d) and will (e) apply.
- 3.7 You must comply with all Applicable Law relating to your Loan Request and your activities on the Platform Website or relating to the Platform.
- 3.8 By initiating a Loan Request to your Proplend Account, as a Borrower you agree:

- (a) to supply all information reasonably required by a reasonably prudent lender acting reasonably to determine whether or not to accept your Loan Request (“**Due Diligence Material**”);
- (b) to pay for a valuation of the Property initiated by PSL (a “**Valuation**”) directly to the Valuer (as defined in Clause 3.9(a)), as directed by PSL (and to pay for any subsequent Valuation that PSL may request in the interests of your Lenders, having regard to the passing of time, a material change in the Property or the market related to the Property, or any other change in circumstances related to the Loan Contracts or any Security Document);
- (c) to provide to PSL for the benefit of the Lender a copy of any revaluations of the Property(s) independently commissioned during the term of the Loan Contracts;
- (d) that a firm of solicitors specified in the relevant Loan Request (“**Proplend Panel Law Firm**”) or conveyancers regulated by the Council for Licensed Conveyancers (“**Proplend Panel Conveyancer**”) will act on behalf of PSL in relation to the Security Documents and a review of any Certificate of Title and other title documentation for the Property as specified in the Loan Request (“**Title Document(s)**”);
- (e) PSL will select the Proplend Panel Law Firm or Proplend Panel Conveyancer giving due regard to the competence, experience and adequate insurance of that firm. In some cases (including where it is more cost effective to do so in light of the amount to be borrowed and/or to reduce the time taken to conclude the Security Documents and fund the Loan Request), the Borrower and PSL may agree that the Proplend Panel Law Firm or Proplend Panel Conveyancer can act for both the Borrower and PSL, subject always to confirmation that different teams within the Proplend Panel Law Firm or Proplend Panel Conveyancer will act for each side with appropriate information barriers and explicit confirmation that such an arrangement does not limit the rights of either the Borrower or PSL, with such arrangement outlined in the Loan Request;
- (f) to pay the legal fees of PSL in connection with the entry into the Security Documents and the review of the Title Document(s);
- (g) to pay all of your own legal fees as a Borrower;
- (h) to provide the Title Document(s) specified in the Loan Request from your own solicitor (which would include the Proplend Panel Law Firm or Proplend Panel Conveyancer, where it is also acting for you) at your own cost and instruct your solicitor to make such amendments to the Title Document(s) or additional information as required to satisfy the Proplend Panel Law Firm or Proplend Panel Conveyancer that the Title Document(s) is or are complete, accurate and can be relied upon for the purpose of the Loan;
- (i) to pay to Proplend the Break Fee described in Clauses 3.14(d) and 3.14(e) if that becomes payable;

- (j) to pay to Proplend the Arrangement Fee, details of which are provided in Clause 3.14(c);
- (k) to pay the cost of any insurance obtained by PSL under Clause 3.9(b);
- (l) provide to PSL quarterly on the date specified by PSL:
 - (i) information on tenancy and certain other aspects of the Property by completing a “Monitoring of Property Report” template provided to you by PSL; and
 - (ii) copies of the previous three months’ bank statements relating to the Nominated Bank Account from which Repayments are to be made; and
- (m) for VAT Loans, to appoint and pay the VAT agent nominated by us (“**VAT Agent**”) to act on your behalf in order to process your VAT filing and reclaim.

3.9 PSL will carry out the following checks by way of due diligence on each Loan Request (“**Due Diligence**”) and gather the resulting information in a specific area of the Platform for each Lender to review in the course of deciding whether or not to make an Offer:

- (a) A Valuation of the Property by a professionally qualified valuer who is a member of the Royal Institution of Chartered Surveyors, chosen by PSL (“**Valuer**”);
- (b) information about the security property, including any leases, tenant(s) and covenants given by any tenant(s) (including the Title Document(s) and the Proplend Panel Law Firm’s or Proplend Panel Conveyancer’s report on the Title Document(s), unless PSL obtains appropriate insurance in relation to the title risk from a reputable insurer, the details of which insurance will be made available to Lenders and the benefit of which will be held on trust by PSL for the Lenders, the perpetuity period of such trust being 125 years);
- (c) information about you as the Borrower and your property experience, including credit reference information about you and each of your directors, officers and/or members;
- (d) information about any personal or corporate guarantors, including identity and credit reference checks;
- (e) Security Documents to be entered into;
- (f) any other documentation that PSL reasonably deems necessary; and
- (g) for VAT Loans, that the Property is correctly elected for VAT as confirmed by either the VAT Agent and / or legal counsel.

3.10 If the Due Diligence identifies any outstanding issues with your proposed Loan Request, we will contact you to re-price or alter your proposed Loan Request or take any other action necessary to resolve the outstanding issue.

- 3.11 All Loan Requests are reviewed by us and may be segmented into three Tranches defined in Clause 5.1 according to the Priority defined in Clause 5.4.
- 3.12 Once the Due Diligence is completed to PSL's satisfaction:
- (a) PSL will notify you and us; and
 - (b) PSL will send you the final Security Documents. You must read and agree these documents and take independent legal advice in relation to them.
- 3.13 Once we have received notice from PSL that it has satisfactorily completed its Due Diligence in relation to your proposed Loan Request, we will notify you via email that we may publish your Loan Request on the Platform Website.
- 3.14 By publishing your Loan Request on the Platform Website, you agree:
- (a) Subject to Clause 3.14(e) and the satisfaction of the conditions precedent (if any) stated in the Loan Request ("**Conditions Precedent**"), that the acceptance by you of each Lender's Offer (as defined in Clause 4.1) will create a direct Loan Contract between you and each Lender, governed by the Loan Conditions which you have read, understand and agree;
 - (b) you have read, understand and agree to, and shall enter into or, as the case may be, procure the entering into of the Security Documents sent to you by PSL;
 - (c) a fee specified in the Loan Summary in relation to the work done by us before and after the listing of the Loan Request ("**Arrangement Fee**"), which shall be due and payable on the date on which you accept the Lenders' Offers related to your Loan Request under Clause 3.14(e) but paid at closing (when the Loan proceeds are disbursed);
 - (d) you will be liable to pay to us a break fee of 2% ("**Break Fee**") if:
 - (i) your Loan Request is published on the Platform Website for funding and you decide not to proceed; or
 - (ii) if your Loan Request is successfully funded but you do not accept the Lenders Offers under Clause 3.14(e) and drawdown the proceeds of your Loan Contracts within 10 days after the date on which your Loan Request is successfully funded; or
 - (iii) If your loan request is successfully funded, and you do accept the Lenders Offers under Clause 3.14(e) but do not drawdown the proceeds of your Loan Contracts within 10 days after the date on which your Loan Request is successfully funded – irrespective if you have serviced any interim pre-drawdown loan interest payments, in line with Clause 3.14(f); and
 - (iv) If we believe in our sole and absolute discretion that business confidence has been lost with you and your ability to keep the loan

compliant within the loan term, and proceeding with your Loan Request even if it has been successfully funded but not yet drawn down, will have a detrimental impact from a reputational perspective on our Lenders and the Platform.

- (e) within 2 Business Days (a **“Business Day”**, being any day (except Saturdays, Sundays and public holidays) after the date on which it is successfully funded (**“the Acceptance Period”**)) you accept each of the relevant Lenders’ Offers (including any subsequent Offers by Lenders agreeing to novation) by:
 - (i) entering into the Loan Contracts in accordance with the electronic signing instructions on the Platform, which shall also constitute your irrevocable continuing agreement to the novation of any such Loan Contracts by the relevant Lenders (and each subsequent novation of any such novated Loan Contracts) as often as the relevant Lenders agree in accordance with this Members’ Agreement; and
 - (ii) signing and returning the Security Documents to PSL.

For the avoidance of doubt, if you abandon the Loan Request before it is fully funded or you do not accept the relevant Lenders’ Offers under this Clause 3.14(e) within the Acceptance Period, then you will be deemed to have declined to accept the Lenders’ Offers and a Break Fee will be immediately payable to us.

- (f) Interest shall accrue under the Loan Contracts from the tenth day after the day on which the Loan Request was successfully funded or the day the funds lent are drawn down by the Borrower, whichever is earlier. For the avoidance of doubt, this would mean that no interest is payable by the Borrower if the Loan Contracts are not entered into, but if and when they are entered into, the date on which the parties agree that interest begins to accrue shall be the tenth day after the day on which the Loan Request was successfully funded or the day the funds lent are drawn down by the Borrower, whichever is earlier.

3.15 You acknowledge and agree that:

- (a) neither PSL nor we will verify or audit statements made by you in relation to any of your Loan Requests, for which you are solely responsible;
- (b) neither PSL nor we will supply you with any financial, legal, environmental, accounting or tax advice; and
- (c) neither PSL nor we warrant that use of any of the documents supplied as part of the Platform including, without limitation to the generality of the foregoing, any Loan Contract, the Loan Conditions and the Security Documents are suitable or appropriate for your needs and you must take your own independent legal and other advice on the terms of such documents.

3.16 By submitting any material to us, or posting any such material on the Platform Website, you warrant and represent to us that:

- (i) any statements made by you as a Borrower have the approval of your board of directors or members, as the case may be, and that you have taken all appropriate legal and accounting advice;
- (ii) any statements you make are complete, clear, fair and not misleading; and
- (iii) any projections or forward-looking statements which you make are reasonable and can be supported by evidence.

3.17 We shall have no duty to disclose to you any information which we receive in the course of providing the Platform or other Platforms to other persons including, without limitation to the generality of the foregoing, to any Borrower or Lender or potential Borrower or potential Lender.

4. LENDERS - Making an Offer – General

Here we explain how Lenders can make Offers, how Loan Contracts are formed, and the Security Documents are held on trust for and on behalf of Lenders by PSL.

4.1 Before making an offer to lend money via the Platform in response to a Borrower's Loan Request or a Lender's request to novate an existing Loan Contract under Clause 7 ("**Offer**"), you must first transfer at least £1,000 (or such higher amount that you wish to Offer) to our segregated bank account held at a duly authorised UK credit institution for the purpose of holding and disbursing funds paid by you other than in relation to fees and charges due and payable to us and/or PSL under or in relation to this Members Agreement ("**Proplend Client Money Account**") using a specified payment method registered in your name. Your funds will be held by us on trust for you and treated as Client Money under the FCA's Client Money Rules in accordance with Clause 9. You may then make an Offer in respect of your cleared funds in relation to one or more Loan Requests. You must also register with us the details of your Nominated Bank Account. You will be notified in advance of any transaction charges or other costs that we propose to charge in respect of a transfer of funds from or to your Nominated Bank Account or otherwise. Any such charges or costs shall be debited by us from your Proplend Account, and the corresponding amount will be deducted from funds held by us for you in the Proplend Client Money Account.

4.2 Provided you are logged into your Proplend Account and you have sufficient funds showing as available in your Proplend Account you may make an Offer by following the instructions in your Proplend Account.

4.3 We may make available to you an automatic lending feature ("**Auto-Lend**"). Where you have funds available to be lent in your Proplend Account, using Auto-Lend

results in new Offers being posted automatically based on the lending criteria you select. Auto-Lend will only operate for Loan Requests available in 'In Funding' and for the purchase of Loan Contracts available on the secondary market ("**Proplend Loan Exchange**"), subject to change that would be notified to you in your Dashboard when you use Auto-Lend. You can turn Auto-Lend off at any point via your Dashboard.

We may withdraw Auto-Lend at any time without notice, but that will not affect Offers already made using Auto-Lend.

4.4 By making each Offer:

- (a) you are offering to enter into a Loan Contract with the relevant Borrower for an amount of £1,000 (or a number of Loan Contracts of £1,000 each, depending on the total amount you are offering), unless it will take less than £2,000 to complete a Tranche, in which case you will have a Loan Contract for the amount that completes that Tranche;
- (b) you acknowledge that you have read and understood the Loan Request and the Due Diligence Material in relation to which you are making the Offer, including any related risk disclosure ("**Risk Disclosure**"), the Loan Contract including the Loan Conditions and the Security Documents; and
- (c) you acknowledge and agree that our decision to allow the relevant Borrower to publish the Loan Request does not constitute any approval or endorsement of the Loan Request or any representation by us or PSL that the Due Diligence Material accurately reflects the risks associated with the Loan Request; and further that you accept and agree that neither we nor PSL warrant that use of any of the documents supplied as part of the Platform including, without limitation to the generality of the foregoing, any Loan Contract, the Loan Conditions and the Security Documents are suitable or appropriate for your needs and you must take your own independent legal and other advice on the terms of such documents.

4.5 When you make an Offer, the amount specified in that Offer (the "**Offer Amount**") will immediately be shown as reserved in your Proplend Account. Any money so reserved will not be available to be allocated to other Offers or to be withdrawn from the Proplend Client Money Account for a period ending on the earlier of:

- (a) the target funding level specified in the Loan Request being achieved and subsequent completion of the Loan under Clause 3.14(e); or
- (b) the day on which any Prior Loan Contract(s) matching your Offer are novated to you as Incoming Lender under Clause 7;
- (c) the Loan Request failing to attract the target funding level within 30 days after the date on which the Loan Request is posted on the Platform Website as stated on the relevant Loan Request; or

- (d) the date upon which the Loan Request is withdrawn or otherwise terminates in accordance with the terms of this Members' Agreement.
- 4.6 All Loan Requests are reviewed by us and may be segmented into three Tranches defined in Clause 5.1 according to the Priority defined in Clause 5.4. You, as a Lender:
 - (a) choose the amount of money that you want to Offer and the Tranche(s) to which you wish to allocate your Offer (including the rate of interest); and
 - (b) you may make an Offer between the minimum and maximum proportion of the total amount requested in each Tranche, as indicated in the Loan Request.
- 4.7 Valid Offers will be accepted in the order in which they are entered on the Platform Website (subject to our right to reject any Offer under Clause 4.14). Each Tranche must be fully funded before the Loan Request can be considered fully funded.
- 4.8 Expected bad debt estimates are estimates for general guidance only and neither we nor PSL warrant their accuracy or reliability.
- 4.9 The acceptance of your Offer via the Platform Website under Clause 3.14(e) creates a Loan Contract, which is a separate, direct contractual relationship between you as a Lender and the relevant Borrower or, as the case may be, you as the Borrower and the relevant Lender(s). Neither we nor PSL are a party to any Loan Contract. Loans are interest only, such that only interest is repayable during the Loan Term and the principal must be repaid at the end of the term.
- 4.10 If the Loan Request target funding level is not met or the Loan Request is withdrawn in accordance with the terms of this Members' Agreement, the Offer Amount will no longer be reserved in your Proplend Account and you as a Lender will be free to allocate that amount to another Offer.
- 4.11 There will not be a statutory right to cancel any Offers made under this Members' Agreement.
- 4.12 We shall not advise you or make any personal recommendation as to any Loan Request. You are solely responsible for making your own independent appraisal and investigation of the risks of the investment. If you require specialist advice, you should consult your own appropriately qualified advisers.
- 4.13 We shall not be responsible for the suitability of any Loan Request for you or any purpose for which you enter into it. You should consider carefully the terms of the Risk Disclosure before making an Offer.
- 4.14 We reserve the right to reject an Offer for any reason, or no reason, at any time.

- 4.15 The performance of each Borrower's obligations to you under the Loan Contract will be secured by the Security Documents entered into between the Borrower and PSL or between the shareholder(s) of the Borrower and PSL or the relevant guarantor(s) in favour of PSL as appropriate in accordance with the provisions of Clause 3.14(e)(ii). PSL will hold the security and the guarantees created by the Security Documents in trust for and on behalf of the relevant Lenders to that Borrower, and will enforce the Security Documents for the benefit of such Lenders in accordance with Clause 6.6. The perpetuity period of that trust shall be 125 years.

5. Tranches and Priority

Here we explain how Loan Requests are split into 3 risk segments or Tranches, and the order of priority if the Borrower repays less than the total amount owed under all its Loan Contracts.

- 5.1 All Loan Requests are reviewed by us and may be segmented into three tranches described below ("**Tranches**") according to the proportion (expressed as a percentage) which the principal loan amount in the Loan Request ("**Total Loan Amount**") bears to the market value of the relevant Property, such market value being determined by the most recent Valuation in respect of that Property ("**LTV**") as at the time the relevant Loan Contracts are formed:
- (a) "Tranche A", in which the total amount of all the Loans equates to 50% of the LTV;
 - (b) "Tranche B", in which the total amount of all the Loans equates to 51-65% LTV; and
 - (c) "Tranche C", in which the total amount of all the Loans equates to 66-75% LTV.
- 5.2 Each Tranche and the Borrower's interest rate for that Tranche is risk assessed and set based on data assessed as part of the Due Diligence process.
- 5.3 It shall be an Event of Default under Clause 4.2(f) of the Loan Conditions if the LTV exceeds the LTV limit specified in the applicable Loan Summary ("**LTV Limit**"), as determined by the most recent Valuation at any time during the Loan Term.
- 5.4 Each Lender and Borrower agrees to the following priority in relation to their respective Loan Contracts ("**Priority**"):
- (a) Loan Contracts in relation to Tranche A rank, and shall rank to the extent of monies (principal, interest, penalty interest, and any other fees / charges) owed to the Lenders under those Loan Contracts, in priority to Loan Contracts in relation to Tranche B and Tranche C (and monies owed to the Lenders under the Loan Contracts in relation to each of Tranche B and Tranche C);

- (b) Loan Contracts in relation to Tranche B:
 - (i) are and shall be postponed to, and rank after the Loan Contracts in relation to Tranche A; and
 - (ii) rank and shall rank to the extent of monies owed to the Lenders under the Tranche B Loan Contracts, in priority to Loan Contracts in relation to Tranche C and (and monies owed to the Lenders under the Loan Contracts in relation to Tranche C); and
- (c) Loan Contracts in relation to Tranche C are and shall be postponed to, and rank after the Loan Contracts in relation to Tranche A and the Loan Contracts in relation to Tranche B.

5.5 The Priority shall stand (regardless of the order of execution, registration or giving of notice or otherwise) so that all proceeds of enforcement or realisation of all or any of the Loan Contracts and security constituted by any of the Security Documents shall, after providing for all reasonable outgoings, costs, charges, expenses and liabilities of enforcement, exercising rights on winding-up and payments ranking in priority as a matter of law, be applied in the following order of priority:

- (a) first, in or towards the discharge of the Loan Contracts in relation to Tranche A;
- (b) second, once the Loan Contracts in relation to Tranche A have been fully discharged, in or towards discharge of the Loan Contracts in relation to Tranche B; and
- (c) third, once the Loan Contracts in relation to Tranche A and Tranche B have been fully discharged, in or towards discharge of the Loan Contracts in relation to Tranche C,

provided that if a Borrower partially prepays the principal or sells all or part of a Property or, where for example the Borrower has given security over two Properties and the Borrower sells one Property, then the gross proceeds of that sale (minus fees payable by the Borrower directly related to the sale) shall be immediately used to repay the Loan Contracts on a pro-rata basis across all Tranches (provided there is no breach of Clause 2.2 of the Loan Conditions or any Event of Default). When such proceeds are allocated to each relevant Tranche, the available amount shall be apportioned according to the proportion that the Loan Amount (as defined in each relevant Loan Contract) represents to the Total Loan Amount borrowed by that Borrower in the Tranche to which the Loan Contract(s) relate(s).

6. After the Loan Contract is formed

Here we explain the steps we take when the Loan Contracts have been formed, such as deducting amounts from the Lenders' Proplend Account, paying out the proceeds of the

Loan as required by the Borrower, handling the Repayments and what happens if Repayments are missed.

- 6.1 Upon completion of the acceptance process in Clause 3.14(e):
- (a) we will debit the Offer Amount from each Lender's Proplend Account and credit the Proplend Account of the relevant Borrower for the same amount, less:
 - (i) an amount of any fees owed by the Borrower under Clause 10 of this Members' Agreement or the Loan Contract (together, "**Fees**");
 - (ii) for a Loan Contract specified in the Loan Request to be a term loan ("**Term Loan**"), an amount equivalent to the number of monthly Repayments of interest, as specified in the Loan Summary and the Loan Contract ("**Interest Reserve**"), to be held by us in the Proplend Client Money Account pending any claims under Clause 6.5;
 - (iii) for a Loan Contract specified in the Loan Request to be a bridge loan ("**Bridge Loan**"), the whole amount of interest for the term of the Loan Contracts will be deducted at point of drawdown ("**Retained Interest**"), along with an additional Interest Reserve of 3 to 6 monthly Repayments of interest, and we shall hold such Retained Interest and Interest Reserve in the Proplend Client Money Account pending any claims under Clause 6.5; and
 - (iv) for VAT Loans, all the whole amount of the interest for the term of the Loan Contracts will be Retained Interest held by us in the Proplend Client Money Account pending any claims under Clause 6.5.
 - (b) we will pay the funds corresponding to the Offer Amount, less the amount of any Fees and the Interest Reserve from the Proplend Client Money Account in accordance with the relevant completion arrangements.
- 6.2 For administrative convenience, each Borrower shall repay each Repayment due under all its Loan Contracts at any one time in a single payment specified in the relevant Loan Summary to the Proplend Client Money Account by standing order from the Borrower's Nominated Bank Account, and we undertake to collect and record the payment of those Repayments in the Proplend Account of each Lender. Interest will be paid gross to Lenders, and each Lender shall be responsible for accounting for and paying any taxes due on such interest.
- 6.3 In the event that any Lender successfully makes a claim for payment out of the Interest Reserve (other than under Clause 6.4), the Borrower concerned shall immediately on demand pay into the Interest Reserve an amount equal to the amount paid to each Lender in respect of that claim, so that the amount of the Interest Reserve remains as specified in the relevant Loan Request and the Loan Contract.

6.4 Any balance of the Interest Reserve will be applied toward the repayment of the principal at the end of the Loan Term.

6.5 If the Borrower misses a Repayment or only partially pays the amount due to you as the Lender, you authorise us or a collections agency nominated by us and whose details we provide to you in writing ("**the Collections Agency**"), acting on your behalf, and we undertake to contact the Borrower to take steps to procure the payment of an amount equivalent to the outstanding Repayment and any additional fees and charges due under or in relation to the relevant Loan Contract and:

- (a) the Lender(s) concerned will automatically make a claim against the Interest Reserve for the amount of the interest component of the missed Repayment(s); and
- (b) we may make a payment from the Interest Reserve in respect of the interest component of the missed Repayment(s) until the Interest Reserve is depleted.

We will keep you informed of the progress of the attempts to collect the outstanding Repayment(s).

6.6 If demand for repayment of the relevant Borrower's Loan Contracts is made under Clause 2.2 of the Loan Conditions or in the event of the occurrence of any Event of Default (as defined in Clause 4.2 of the Loan Conditions):

- (a) PSL shall enforce all or any of the Security Documents having occurred and the relevant proportion of any sums recovered by PSL will be paid to you as Lender, subject to deduction of the costs of recovery (including legal fees and expenses and those of any manager, receiver or administrator appointed by PSL) from the gross proceeds recovered, such that the net amount recovered shall be apportioned according to the proportion that the Loan Amount (as defined in each Loan Contract) under each of your Loan Contracts represented to the Total Loan Amount borrowed by the relevant Borrower) in the Tranche to which your Loan Contract(s) relate(s); and
- (b) in the event of enforcement under Clause 6.6(a), PSL will keep each Lender informed of its progress in enforcing the Security Document(s) concerned.

6.7 You as Lender acknowledge that it is possible that the proceeds (if any) recovered as a result of any recovery and enforcement activity specified in Clause 6.6 may not be sufficient to discharge all the relevant Borrower's obligations to you. In that case, you will only be entitled to recover a share of any recovery proceeds, subject to deduction of the costs of recovery (including legal fees and expenses and those of any manager, receiver or administrator appointed by PSL) from the gross proceeds recovered, such that the net amount recovered shall be apportioned according to the proportion that the Loan Amount (as defined in each Loan Contract) under each of your Loan Contracts represented to the Total Loan

Amount borrowed by that Borrower in the Tranche to which your Loan Contract(s) relate(s).

7. Transfer of Loan Contracts by Novation

Here we explain how Lenders can sell their eligible Loan Contracts (which Borrowers agree to under Clause 3.14(e)(i)).

7.1 As a Lender, you may transfer eligible Loan Contracts by novation in accordance with Clause 7.2. An **“eligible Loan Contract”** for this purpose is any existing Loan Contract:

- (a) which is not the subject of an Event of Default; or
- (b) which does not have less than 30 days to maturity; or
- (c) under which any Repayment of interest is not overdue by more than 5 Business Days (in **“Arrears”**)).

7.2 To novate an eligible Loan Contract, you must list the eligible Loan Contract for sale on the Proplend Loan Exchange via your Proplend Account, giving details of the eligible Loan Contract. By listing each eligible Loan Contract for sale, you irrevocably offer to cancel all your rights and obligations in that Loan Contract, and your related rights and obligations under this Members’ Agreement and any related Security Document(s), in return for another Lender assuming identical rights and obligations under a new Loan Contract with the relevant Borrower and paying to you the specified purchase price and any interest accrued but not paid as at the date of that novation (**“the Total Purchase Price”**) :

- (a) your offer to novate the Loan Contract will promptly be listed on the Platform Website on the basis of the details you have provided (including the requirement to pay you for any interest accrued since the last interest payment date but not yet paid up to the date of novation);
- (b) unless and until you withdraw your offer under clause 7.2(a), any other Member who has adequate funds showing as available in their Proplend Account to cover the amount payable under that offer may inform us of their acceptance of it via the feature provided on the Platform Website (**“New Lender”**), in which event:
 - (i) your rights and obligations under your Loan Contract (**“the Prior Loan Contract”**) and your related rights and obligations under this Members’ Agreement and any related Security Document(s) are cancelled;
 - (ii) the New Lender assumes under a new Loan Contract with the relevant Borrower identical rights and obligations to the rights and

obligations you had under the Prior Loan Contract, pursuant to the Borrower's continuing consent under Clause 3.14(e)(i) ("**New Loan Contract**"), such that the New Loan Contract replaces the Prior Loan Contract;

- (iii) we undertake to debit the Total Purchase Price from the New Lender's Proplend Account and credit that amount to your Proplend Account, such that you will then be entitled to request the transfer of the corresponding funds from the Proplend Client Money Account to your Nominated Bank Account under Clause 9.6;
- (iv) you will pay to us the fee specified in Clause 10.4, which will be debited from your Proplend Account at the time when the outstanding principal is credited to your Proplend Account;
- (v) we will then record the details of the novation on the Prior Loan Contract which shall become the New Loan Contract; and in the Proplend Accounts of you, the New Lender and the Borrower;
- (vi) you shall hereby remain liable for, and indemnify and hold harmless the New Lender from and against any loss, liability, claim, demand, damages, costs and expenses (including reasonable legal fees and expenses) arising out of or in connection with the Prior Loan Contract; and
- (vii) the New Lender shall hereby be and remain liable for, and indemnify and hold you harmless from and against any loss, liability, claim, demand, damages, costs and expenses (including reasonable legal fees and expenses) arising out of or in connection with the New Loan Contract.

For the avoidance of doubt, any Loan Contract which is in Arrears of Repayments of interest (overdue by more than 5 Business Days), has less than 30 days to maturity or the subject of an Event of Default will be suspended from the Proplend Loan Exchange pending any change that makes it eligible for novation under this Clause 7.

8. Cancellation of this Members' Agreement

Here we explain when and how Lenders may cancel the Members' Agreement within a certain time period, unless you are a Lender who makes an Offer during that period.

- 8.1 If you are a Lender who, for the purpose of entering into this Members' Agreement, makes exclusive use of one or more means of distance communications up to and including the time at which this Members' Agreement is entered into, you shall be entitled to cancel this Members' Agreement within the 14-day period that begins on the day after you enter into it ("**Statutory Cancellation Period**"). However, in the event that you make an Offer during the

Statutory Cancellation Period under this Clause 8.1, you will no longer be able to cancel this Members' Agreement (or that Offer).

- 8.2 You may exercise your right of cancellation by emailing us to that effect at admin@proplend.com.

9. Proplend Client Money Account

Here we explain how we hold and process your funds, the fact that the Financial Services Compensation Scheme does not apply to our activities and what happens if there is no activity on your Proplend Account for 18 months.

- 9.1 All money you transfer to the Proplend Client Money Account or which is otherwise received or held on your behalf shall be held on trust for you by us and treated as Client Money in accordance with the FCA's Client Money Rules. If we were to cease trading, the funds held as Client Money would not be treated as part of our assets. When a Borrower has entered into Loan Contracts, the Client Money representing the proceeds of the Loan Contracts may be paid to the relevant client account of the Borrower's solicitors for the purpose of completing a transaction for which the proceeds of the Loan Contracts are required. Such funds would be held by the relevant solicitors under the Solicitors Regulation Authority client money rules.
- 9.2 You are notified that, in accordance with Rule 7.10.7B of the Client Money Rules, we elected to hold all funds held in relation to Investors under non-regulated peer-to-peer agreements in accordance with the Client Money Rules with effect from 22 April 2016.
- 9.3 Lending or Borrowing through the Platform is not covered under the Financial Services Compensation Scheme, but if the bank or credit institution at which the Proplend Client Money Account is held were to become insolvent you may be entitled to compensation from the Financial Services Compensation Scheme in respect of any money held in the Proplend Client Money Account on your behalf. Further information is available at <http://www.fscs.org.uk>.
- 9.4 Subject to the FCA Client Money Rules, the perpetuity period of any trust arising under this Members' Agreement shall be 125 years. In the event that interest is earned on any amounts held in the Proplend Client Money Account, we shall apportion such interest amongst the Lenders and Borrowers on whose money this interest has accrued by crediting their respective Proplend Accounts accordingly on a monthly basis.
- 9.5 In the event that there has been no activity on your Proplend Account for a period of at least 18 months, we shall be entitled to take such steps as we consider appropriate, which shall include transferring the money from the Proplend Client

Money Account to your Nominated Bank Account or sending a cheque to your last-known residence.

- 9.6 You may request us to transfer your funds from the Proplend Client Money Account to your Nominated Bank Account, provided those funds have not been reserved for an Offer in accordance with Clause 4.5 of this Members' Agreement.

10. Fees

Here we explain what Fees we charge, whether these are charged to the Lender or the Borrower and how we make changes to the Fees.

- 10.1 As a Borrower, you must pay to us the Arrangement Fee as specified in Clause 3.14 and if applicable an "**Exit Fee**" as defined in the Loan Conditions and noted in the Loan Summary.
- 10.2 As a Borrower, you may be liable for additional fees and charges as specified on the Platform Website under "Mortgage Fees & Charges" at <https://www.proplend.com/borrow/borrower-fees/>.
- 10.3 As a Lender, you must pay to us a fee equivalent to 10% of the gross interest you receive in relation to your Loan Contracts ("**Lender Fee**"), i.e. an investment of £100,000 at 7.5% p.a. would receive interest of £7,500 p.a. which equals a payment of £625 per month of which we would charge a 10% fee of £62.50.
- 10.4 In the event of any novation of a Loan Contract under Clause 7, the assignor shall pay to us a fee equivalent to 0.5% of the principal outstanding under that Loan Contract ("**Novation Fee**").
- 10.5 Subject to the provisions of Clause 4.5, if you wish to withdraw funds credited to your Proplend Account you will pay to us a fee to cover the administration associated with that withdrawal in accordance with the then current schedule of fees on the Platform Website.
- 10.6 We may waive or offer discounts on any of our fees to any person at any time in our sole and absolute discretion.
- 10.7 We may change any of our fee rates from time to time to reflect legitimate cost increases or reductions in operating the Platform or providing any Platforms under this Members' Agreement. We will give you at least 30 days' notice of any change in our fees in accordance with Clause 18.
- 10.8 All Fees are exclusive of any applicable Value Added Tax or other taxes, for which the person paying the relevant Fee shall be liable.

11. Representations and Warranties

Here we explain what promises you make to us about the information you give us and information on the Platform, that you are only acting for yourself (subject to the right to allow an advisor or other intermediary to access your Proplend Account on your behalf), your Security Documents (if you are a Borrower) and the funds you send to us.

11.1 By agreeing to the terms of this Members' Agreement, you represent and warrant to us that:

- (a) all information you provide to us and/or PSL is true and accurate in all respects;
- (b) (subject to clause 2.13) you are entering into this Members' Agreement and each Loan Contract as principal and not on behalf of any third party;
- (c) execution, delivery and performance of this Members' Agreement, each Loan Contract and (where applicable) each Security Document will not violate any law, ordinance, charter, by-law or rule applicable to you or the grantor of the same, or any other agreement by which you or such grantor are bound or by which any of your or their assets are affected;
- (d) you will not send funds to the Proplend Client Money Account other than by using the payment methods specified by us and you will not request that funds be sent from either of those accounts other than to your Nominated Bank Account; and
- (e) you will not use the information posted on the Platform Website for any purpose other than researching a Loan Request listed on the Platform Website.

12. User Content

Here we explain the promises you make to us about the User Content you provide, including certain authorisations and licences we need to operate the Platform, your lawful use of the Platform and the fact that we can but don't have to monitor disagreements between you and other Users.

12.1 You represent, warrant and undertake that none of the text, numerical information, graphics, still and moving images or other material that you post on the Platform Website, including any Loan Request that you apply to list ("**User Content**") will infringe the rights of any third party, including intellectual property rights, privacy, publicity or other personal or proprietary rights; or will contain libellous, defamatory or otherwise unlawful material. In addition, you undertake not to:

- (a) use the Platform or the Platform Website to:
 - (i) harvest or collect email addresses or other financial, personal or contact information of other users of the Platform from the Platform or the Platform Website by electronic or other means for the

- purposes of sending unsolicited communications or inviting any person to invest outside the Platform;
- (ii) to create a database (electronic or otherwise) that includes material downloaded or otherwise obtained from this Platform or the Platform Website otherwise than for your own personal records (and except where expressly permitted by the Platform or on the Platform Website);
 - (iii) to transmit or re-circulate any material obtained from the Platform to any third party except where expressly permitted by us or on the Platform Website;
- (b) use the Platform or the Platform Website in any unlawful manner or in any other manner that could damage, disable, overload or impair the Platform or the Platform Website or the servers on which it is hosted;
- (c) use automated scripts to collect information from or otherwise interact with the Platform or the Platform Website;
- (d) upload, post, publish, display, transmit, share, store or otherwise make available on the Platform Website any content that we may deem:
- (i) to be misleading, harmful, threatening, unlawful, libellous, defamatory, infringing of any intellectual property rights, abusive, inflammatory, harassing, vulgar, obscene, fraudulent, invasive of privacy or publicity rights, hateful, or racially, ethnically or otherwise objectionable; and/or
 - (ii) to contain software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment; and/or
 - (iii) to be unsolicited or unauthorized advertising, solicitations, promotional materials, "junk mail", "spam", "chain letters", "pyramid schemes" or any other form of solicitation; and/or
 - (iv) to be the private information of any third party, including, without limitation, addresses, phone numbers, email addresses, National Insurance numbers or other identifiers, credit card numbers and/or debit card numbers; and/or
 - (v) to be an attempt to promote or market any goods or Platforms for your own financial benefit;
- (e) register on the Platform Website more than once or register on the Platform Website on behalf of an individual other than yourself, or register on the Platform Website on behalf of any entity without that entity's prior written authorisation;

- (f) impersonate any person or entity, or falsely state or otherwise misrepresent yourself, your age, your financial employment or personal circumstances or your affiliation with any person or entity;
 - (g) use or attempt to use another's account, Platform or system without authorization from us, or create a false identity in relation to the Platform or on the Platform Website;
 - (h) solicit personal information from anyone under 18 or solicit passwords or personally identifying information for commercial or unlawful purposes;
 - (i) use the Platform or the Platform Website in such a way so as to remove the copyright or trade mark notice(s) from any copies of any material made in accordance with this Members' Agreement.
- 12.2 You are solely responsible for your User Content. You may not post, transmit, or share User Content on the Platform Website or otherwise that you did not create or that you do not have permission to display, publish or post. You understand and agree that we may, but are not obligated to, review the Platform or the Platform Website and may delete or remove (without notice) any User Content in our sole and absolute discretion, for any reason or no reason, including without limitation User Content that in our own absolute discretion violates any provision(s) of this Members' Agreement. You are solely responsible at your own cost and expense for creating backup copies and replacing any User Content.
- 12.3 When you post your User Content, you authorize and direct us to make such copies of it as we consider necessary in order to facilitate the publication, display and storage of the User Content in relation to the Platform or on the Platform Website. By posting User Content to any part of the Platform Website, you automatically grant, and you represent and warrant that you have the right to grant, to us and to PSL an irrevocable, perpetual, non-exclusive, transferable, fully paid, worldwide license (with the right to sublicense) to use, copy, publicly perform, publicly display, reformat, translate, excerpt (in whole or in part) and distribute such User Content for any purpose on or in connection with the Platform or the promotion of it, to prepare derivative works of, or incorporate into other works, such User Content, and to grant and authorize sublicenses of the foregoing. You may remove your User Content from the Platform and/or the Platform Website at any time, subject to the provisions of Clause 3. If you choose to remove your User Content, the license granted above will automatically expire, however you acknowledge that we and/or PSL may retain archived copies of your User Content.
- 12.4 You agree to indemnify and hold each other user, us, PSL, our subsidiaries and affiliates, and each of our directors, officers, agents, contractors, partners and employees, harmless from and against any loss, liability, claim, demand, damages, costs and expenses, including reasonable legal fees and expenses, and all registration fees and duties, arising out of or in connection with any of your User Content, your listing of any Loan Requests or other use of the Platform, your

conduct in connection with the Platform or with other users of the Platform, our or PSL's preparation of all Loan Contracts and Security Documents and other documentation and registration of the Security Documents at The Land Registry and Companies House as necessary, and any breach by you or any grantor of any security under any Security Document or of this Members' Agreement or of any Applicable Law or the rights of any third party.

- 12.5 You are solely responsible for your interactions with other users. We and PSL reserve the right, but have no obligation, to monitor disputes between you and other users.
- 12.6 Subject to the provisions of this Members' Agreement, neither we nor PSL are responsible for third party content downloaded or any content posted by users in relation to the Platform or on the Platform Website.
- 12.7 We welcome 'links' to the home page of the Platform, but not 'deep linking' by which we mean that you may not include a link to any page of the Platform that is not the home page. You must not display the contents of the Platform (or any page from it) or allow it to be displayed surrounded or framed or otherwise surrounded by material not originating from us without our prior written consent.
- 12.8 The information provided via the Platform is intended solely for use by persons and organisations that meet the eligibility criteria set out in Clause 2 above. The Platform is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to Applicable Law or regulation.

13. Our Details

Here we provide our and PSL's regulatory details

- 13.1 Proplend is authorised and regulated by the Financial Conduct Authority, and entered on the Financial Services Register under firm registration number 726646 and registered with the Office of the Information Commissioner (No. Z3655272).
- 13.2 PSL is registered with the Office of the Information Commissioner (No. ZA014126).

14. Liability

Here we explain what you, we and PSL are liable for, or not liable for in connection with this Members' Agreement and the activities on the Platform.

- 14.1 You shall be liable to us and to PSL for any loss or damage suffered by us and/or PSL as a result of your breach of this Members' Agreement or any other agreement

between you and us and/or PSL, or for your negligence or wilful default or misconduct.

- 14.2 We and PSL shall only be liable to you for any loss or damage which results as a directly foreseeable consequence of our or PSL's breach of this Members' Agreement, negligence, wilful default or misconduct.
- 14.3 Our liability to you and PSL's liability to you in respect of any Loan Request shall be limited to the amount paid by you in relation to any such Loan Request.
- 14.4 Subject to Clause 14.5 and except to the extent prohibited by Applicable Law, neither we nor PSL will be liable for any indirect, incidental, special, punitive or consequential damages, loss of business, loss of profits, loss or corruption of data, loss of goodwill or reputation caused by any act or omission by us or by PSL under this Members' Agreement.
- 14.5 Nothing in this Members' Agreement shall limit our or your liability for personal injury or death, or for any other liability which may not be excluded by Applicable Law, or any duty or liability owed by us to you under FSMA or FCA Rules, and in the event of any conflict between the terms of this Members' Agreement and FSMA or FCA Rules then FSMA or FCA Rules (as the case may be) will prevail.
- 14.6 No party shall be liable for any failure or delay in the performance of any obligation under this Members' Agreement (except any payment obligation) by reason of any cause beyond that party's reasonable control.

15. Termination

Here we explain how and when this Members' Agreement may be terminated and what happens if it is.

- 15.1 We and PSL may terminate this Members' Agreement by notice in writing to you at any time in the event that:
 - (a) you are in material breach of any term of this Members' Agreement; and/or
 - (b) you breach any term of any Loan Contract to which you are a party or of any Security Document entered into in relation to any such Loan Contract; and/or
 - (c) we suspect or PSL suspects that you have used the Platform or the Platform Website, or intend to use the Platform or the Platform Website, for the purpose of an illegal activity; and/or
 - (d) you are acting as a Borrower and:
 - (i) a merger, share exchange or similar transaction occurs in which the holder(s) of a majority of the shares, rights or interests in you (where you are any type of partnership) or of the outstanding equity securities in you or your ultimate direct or indirect parent

corporation or holding company immediately prior to such transaction hold less than a majority of the outstanding equity securities of the surviving or successor corporation immediately following the closing of such transaction; and/or

- (ii) you sell, assign or transfer all or substantially all of your assets or those of your ultimate direct or indirect parent corporation or holding company.

15.2 You may terminate this Members' Agreement by providing 7 days' written notice to us, provided you have no Offers outstanding or Loan Requests open to Offers at the time of your request.

15.3 On termination of this Members' Agreement, any of your funds remaining in the Proplend Client Money Account will, subject to any restriction under Applicable Law, be credited to your Nominated Bank Account.

15.4 Following termination of this Members' Agreement, we will provide you with limited access to the Platform Website and your Proplend Account for a period of 7 days to download any of your User Content or information relating to investments, purchases or contributions made by you via the Platform. Upon the expiry of that 7 day period, your access to your Proplend Account and the Platform and the Platform Website will be terminated and we will have no obligation to store or provide you with access to any information relating to your activity on the Platform or the Platform Website.

16. Complaints

Here we explain how to make a complaint about us or PSL, the process and timing for our response and the role of the Financial Ombudsman Service.

16.1 If you want to make a complaint about us and/or PSL you can email complaints@proplend.com, with brief details of your complaint and your account number. Our staff will acknowledge your complaint by email within one Business Day when clearing banks are open for business in London). We will then investigate and send you an initial response, having had access to a senior manager with the authority to settle the complaint (including, where appropriate, an offer of redress). Where appropriate, the member of staff investigating the complaint will not be any staff member who was directly involved in the subject matter of the complaint. This should take no longer than five Business Days, but most complaints may well be resolved by close of business on the Business Day after the complaint is received. If you are not satisfied by our response, you must contact our Chief Operating Officer, who will respond by email within a further five Business Days.

16.2 If you are not satisfied with the response from our Chief Operating Officer, you can email complaints@proplend.com, enclosing the responses already given to you.

Your email will then be referred to our Chief Executive Officer, who will respond by email within a final five Business Days.

- 16.3 Within four weeks after receiving a complaint, we will send you either a final response or a response which explains why we are not in a position to resolve the complaint and indicates when we will make further contact.
- 16.4 Complaints by individuals made after 1 April 2014 about our regulated activities that cannot be settled within eight weeks of the date on which the complaint is made may ultimately be referred to the Financial Ombudsman Service. As an individual you may also have the right to make such a complaint directly to the Financial Ombudsman Service.

17. Notices

Here we explain how we communicate with each other, including how to give any formal notices that may be required.

- 17.1 Except as otherwise expressly provided in this Members' Agreement, any communication in writing may be given by post to the last known postal address that we hold for you or you hold for us and PSL, or email to the email address last notified by you to us or by us to you.
- 17.2 Communications sent:
 - (a) by post will be treated as received by you three Business Days after posting; and
 - (b) by email they will be treated as received immediately upon sending, so long as we or PSL do not receive notice of non-transmission or non-receipt.
- 17.3 We and PSL may also (where allowed to do so by Applicable Law) communicate with you by posting information in your Proplend Account or on the Platform Website (including notice(s) or communication(s) relating to any novation under Clause 7), in which case the information will be treated as received by you when it is posted by us or PSL in your Proplend Account, or on the Platform Website (as the case may be).
- 17.4 Any communication given to us or PSL shall be deemed to have been received only on actual receipt by us or, as the case may be, PSL.

18. Amendments to this Members' Agreement

Here we explain how and why we will make changes to the Members' Agreement (but Clause 10 deals with changes to Fees).

- 18.1 Subject to the provisions of Clause 10 (Fees), we may amend this Members' Agreement by giving you notice via the Platform and your Proplend Account.
- 18.2 We will only make changes:
- (a) where we consider that a change will make this Members' Agreement clearer; or
 - (b) to introduce new systems or technology; or
 - (c) to introduce new products or services; or
 - (d) to implement changes required by Applicable Law.
- 18.3 We will give you 14 days' notice of any change except where we consider that such change is required under Applicable Law. If you are not happy with any changes to this Members' Agreement, you may terminate this Members' Agreement in accordance with Clause 15.

19. Confidentiality

This clause explains how we will treat information that is disclosed to us or PSL, and confidential information.

- 19.1 Neither we nor PSL shall be obliged to disclose to you any information, consider or to take into account any information or other matters which come(s) to our or to PSL's notice or the notice of any of our or PSL's employees, directors, agents, sub-contractors or associates:
- (a) but does not come to the actual notice of the person dealing with you; or
 - (b) where such disclosure, consideration or taking into account would, or we or PSL reasonably believe that it would, be a breach of any duty of fidelity or confidentiality owed to any other person.
- 19.2 We, PSL and you will keep confidential and will not disclose to any third party any information that is marked or otherwise indicated as being confidential, except information that any of us is bound to disclose under Applicable Law or by order or request of any regulatory authority or by a court of law, or to our respective professional advisers for the purposes contemplated in this Members' Agreement, or in our and PSL's cases, where disclosure is necessary to exercise any of our or PSL's rights or perform any of our or PSL's obligations under this Members' Agreement.

20. General

This clause explains that we will only deal with you in English language, and that English law and courts govern the Members' Agreement and any disputes among us, who can enforce and transfer the Members' Agreement, what happens if any clause is unlawful or

not enforced; and the fact that the records kept by us and PSL in the Platform are conclusive except where there is an obvious mistake.

- 20.1 This Members' Agreement is supplied in English and all communications between all or any of us (including any communications or documentation passing between all or any of us before entering into any contract) will be in English.
- 20.2 This Members' Agreement is governed by English law and the courts of England and Wales will have non-exclusive jurisdiction to settle any disputes that may arise in relation thereto, although we and PSL retain the right to bring proceedings against you for a breach of this Members' Agreement in your country of residence or any other relevant country.
- 20.3 Nothing in this Members' Agreement is intended to confer any benefit on any person who is not a party to this Members' Agreement, and no third party shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
- 20.4 If any part of this Members' Agreement is found to be illegal, invalid or unenforceable by any court of competent jurisdiction or regulatory authority, the remainder shall continue in full force and effect. No single or partial exercise, or failure or delay in exercising any right, power or remedy by either you or us or PSL shall constitute a waiver by us or PSL of, or preclude any further exercise of, that or any right, power or remedy arising under this Members' Agreement or otherwise.
- 20.5 The provisions of this Members' Agreement are personal to you and you shall not be entitled to novate, assign or transfer any of your rights or obligations under this Members' Agreement, except to the extent that you are a Lender who is novating a Loan Contract under Clause 7.
- 20.6 We and/or PSL may assign our respective rights and obligations under this Members' Agreement.
- 20.7 The records kept by us and PSL in the Platform shall be conclusive of the facts and matters they purport to record except where there is an obvious mistake.